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NEWS RELEASE

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PSC YouTube Video Explains Environmental Surcharge *Presentation explains legal process for recovery of environmental compliance costs by electric utilities*

FRANKFORT, Ky. (Dec. 19, 2011) – The process the Kentucky Public Service Commission (PSC) follows in the review and approval of coal-related environmental compliance costs incurred by electric utilities is explained in a video available online.

The narrated slide show covers the legal basis for the recovery of environmental costs, the PSC's review process and the environmental surcharge through which the costs are passed on to a utility's ratepayers.

The video, which is about 10 minutes long, is available at this web address:

<http://www.youtube.com/watch?v=lvGmPHRtdNk>

A similar presentation will be made at information sessions that will precede public comment meetings on an environmental compliance plan and associated environmental surcharge request filed by the Kentucky Power Co. and its parent company, American Electric Power Co. The public meetings will be held next year at times and places yet to be determined.

"The environmental compliance issue affects every electric utility in Kentucky," PSC Chairman David Armstrong said. "This presentation offers a good introduction to the laws and processes that govern how environmental compliance costs are allocated and recovered."

The PSC recently concluded environmental compliance and surcharge cases for Kentucky Utilities Co. (KU) and Louisville Gas & Electric Co. (LG&E). Information about the Kentucky Power case (case number 2011-00401) and the KU (2011-00161) and LG&E (2011-00162) cases is available on the PSC website, psc.ky.gov.

The PSC is an independent agency attached for administrative purposes to the Energy and Environment Cabinet. It regulates more than 1,500 gas, water, sewer, electric and telecommunication utilities operating in Kentucky and has approximately 100 employees.

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